

SECRET

10 November 1980

MEMORANDUM FOR THE RECORD

Staff Meeting Minutes of 10 November 1980

The Director was in the chair.

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The Director congratulated Dirks on his selection to the National Academy of Engineering.

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The Director reminded everyone that Herman Wouk would speak to employees on 14 November.

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The Director commented that various college presidents will be visiting Headquarters on 13 November.

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The Director called attention to his 13 November meeting with Edward Meese, head of President-Elect Reagan's transition team. He hopes to find out what we can provide the President-Elect between now and 20 January. The Director asked all morning meeting attendees to provide him with suggestions and ideas to help the transition team. The Director said that Jack Watson, the head of President Carter's transition team, instructed all Cabinet and Agency heads to be fully cooperative with the Reagan people but not to forget that President Carter is in office until 20 January. The Director said that Lehman is the transition coordinator for CIA and all contacts and requests from or to the Reagan team will go through him. If the amount of work becomes too great, Lehman will authorize lateral communication between Agency components and the Reagan team. Kerr will assist Lehman per Clarke.

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The Director and Mr. Carlucci will continue to manage the Agency as if they will be here after 20 January. The Director said to do otherwise would acknowledge that his and Mr. Carlucci's position were political. The Director indicated that other than those projects being pursued by ExComm, he did not anticipate levying any long-term initiatives.

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The Director solicited suggestions about what he should cover with Meese on 13 November:

- Hitz suggested raising the budget issue to cover Agency needs that have already been identified. Mr. Carlucci said that was a worthwhile subject, and he would be talking to Lipton to see what else we should cover. Lipton said there are three issues in the 81 budget we should be concerned with:

- (1) Covert Action requests.
- (2) Personnel situation.
- (3) Unfunded needs for 1981

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Lipton said that we should ask the current Administration for supplemental appropriations and if this fails, we should ask the new Administration, when it comes in office, to adjust the 81 budget upwards. The Director asked Lackman to have RMS consider the Community at large and see what changes are justifiable.

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- Clarke said he and Lehman would make recommendations about supplying the President-Elect with the PDB and other publications, as well as overall intelligence support. Clarke read an article from the 9 November Washington Star (attached) which reported how the new President would be served by the Community and the NSC Staff. The Director asked Kerr to expand his daily report to include substantive Community differences.

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- Fitzwater reiterated the need to raise the hiring freeze and get a short, one-time exemption. Lipton recommended against this, pointing out that at this time the Agency has not been too badly hurt by the freeze. The Director said he will recommend to Meese that when the freeze issue is considered by the new Administration the Agency be considered as part of the Defense Community.

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- Hart said that if the President-Elect's team wishes, we can set up a COMMO and secure phone facility in Santa Barbara. The Director said that if necessary we will send an officer to Santa Barbara to support the President-Elect.

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The Director asked for topics to be briefed to the President-Elect if the Agency briefs him next week. Clark suggested the following:

- Poland
- Outlook for world grain
- Iran/Iraq
- Internal Iranian situation
- Central America
- Afghanistan

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In response to Mr. Carlucci's suggestion for a Soviet strategic forces paper, Clark recommended doing a Soviet strategic balance briefing at a later date. Clarke also said that when the briefing is done on that subject, representatives from State and DIA be invited to attend. Lehman said that there are two different types of topics we should address -- active issues which should be looked at right away and basic subjects which can be briefed as time permits. In response to the DCI's question about whether it would be useful for the NIOs to do two-page outlines on the various topics. Lehman said he would prepare a paper recommending topics the DCI should discuss with Meese and suggested that he (Lehman) call Richard Allen to see if; (1) the briefing of the President-Elect will take place and (2) the NIO papers be useful. The Director demurred saying he would first talk to Meese to set up lines of communications with other members of the transition team.

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In response to a Director's question about whether we should postpone budget issues, Mr. Carlucci said we should be cautious since there are some on the Reagan team who are suspicious of the Agency.

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The Director told Stein he is becoming increasingly concerned over the Liberian situation and asked Stein to work with him and Mr. Carlucci to see if there is something we can do. Stein told the Director that last week Assistant Secretary Moose reversed his decision about allowing more

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Fitzwater said the Agency had raised [] for the CFC and that [] percent of the pledge cards were still out. (U)

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[] mentioned the New York Times articles about two Australian books -- one reporting U.S. Australian ties during the Vietnam War and the other discussing U.S. intelligence facilities in Australia.

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Clarke said he was concerned about the situation in Poland. He believes TASS reports on the joint Polish/Soviet military exercise is intended to put pressure on the Poles. Clarke said that nothing [] indicated the extent of the exercise. Clarke also reported that the Polish Supreme Court had reversed a lower court decision in favor of the unions.

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Hitz commented that there is no information about what the "lame duck" Congress will do. Mr. Carlucci suggested that the Director ask Meese who on the transition team is responsible for legislative strategy. []

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Silver discussed the draft executive order (E.O.) authored by General Graham (see morning meeting notes of 5 November). Silver said that the E.O. would leave the DDO and NFAC under the DCI as quasi autonomous entities; the DCI would be moved to the Pentagon; and most DCI powers would be incorporated in an intelligence "tsar," PFIAB, or the Attorney General. Silver said it is important that we do not over-react to this draft. He said he would circulate copies of this draft along with a legal opinion about what can and cannot be done without legislation. Silver will meet with the Director, Mr. Carlucci and Lehman to determine whether the E.O. should be discussed with the transition team at this time. []

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Briggs said that [] NSA Inspector General, is retiring this week. []

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Peterson said the exercise involving the transfer of the NITC to the DoD began this morning and that [] is participating. []

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[] said that budget decision papers went out 7 November. The Director asked for an annotated copy for his review. []

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Mr. Carlucci mentioned the DDO course on basic sign language and that it might be appropriate for other CIA elements. Fitzwater said the course is now being offered elsewhere in the Agency. []

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Attachment

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Reagan Will Rely On Cabinet as Key Source of Advice

"The NSC man might well give President Reagan his first briefing of the day on foreign affairs and security matters, but the president will know that it is information coming from the State Department, the Central Intelligence Agency, the Defense Intelligence Agency, and so on.

"The governor believes the secretary of state should have primary responsibility for proposing and articulating foreign policy. The assistant to the president for national security affairs will be a staff person and act like a staff person. He will be much less visible. He will be a coordinator and the National Security Council staff will be used as a coordinating vehicle rather than to formulate foreign policy."

Meese added, "The governor does not want all intelligence information meshed into one kind of stew and served up to him. The president should be told if the CIA is making one estimate of a situation and State or DIA have a different viewpoint. As it is President Carter only gets one synthesized report from his NSC adviser."

"President Reagan will want the NSC staff to relay all information to him in neutral fashion, providing the different estimates of situations and not trying to reconcile the differences. The president needs to know that there are some differences in some assessments."

Meese said there will be no all-powerful press secretary in the new administration, as Jody Powell has been for the last four years with Carter.

"I don't see the press secretary as being the only guy who briefs the press," he said. The Reagan transition team, which formally begins operations in Washington this week with Meese as its chief, believes there should be four associate press secretaries who are experts in the fields of national security, economic

affairs, human services and resources and development.

"The press secretary now, because he is the principal spokesman, becomes a power in his own right," he said. "Powell has become the second most powerful man in the White House. It won't be that way with us."

The Reagan team does not plan to name Lyn Nofziger, the campaign press spokesman, to the White House press office, and Nofziger has made it clear he does not want the job. It is probable that the title of press secretary will be given to some relative unknown from the Reagan campaign staff to coordinate the activities of the four associates who are expert in the fields identified by Meese.

Explaining how Reagan ran things in California, Meese said the governor was "always accessible."

"Department heads and Cabinet members always had access to him," Meese said. "Eight or nine of them would see him every day. I thought it was my job to facilitate people getting to see the governor because he needed their information. I didn't want people to think they had to tell me what was on their minds and then I would pass it on because the best way to protect the president from being misled is to let people have access."

Meese said with a grin that this did not mean everyone would be let in to see Reagan for a half-hour apiece.

"I was one of six Cabinet members in California," he said, "but all of the others would stop by my office before they went in because they would want my help and support. What we would do if something was happening on which a number of people had views was to have a Cabinet meeting so that in 15 or 20 minutes the governor got all the different points of view directly from the people involved. Then

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when he made a decision, all of them knew what the decision was, and we didn't have an endless round of appeals, which is a waste of time."

Meese said Reagan will make much more use of the statutory National Security Council, holding frequent formal meetings of the secretaries of state and defense, the CIA director and others. He predicted international economic affairs would be brought into the NSC to a greater degree by making the secretary of the Treasury an ex-officio member.

Meese said he thought it was unnecessary to have the secretary of state traveling a great deal. "If you're running around the globe," Meese said, "you're not thinking managing and planning. We can do it this way if there is a more careful selection of ambassadors and people of ability serving in foreign countries."

Meese said Reagan would estab-

lish the basic management structure before he starts appointing people "so that they will take office subject to the system rather than trying to impose a system of their own on the structure."

Sources in the Reagan camp here say there is not much chance that personnel announcements will be made until Reagan goes to Washington on Nov. 17 to meet with President Carter.

Reagan is now at his ranch near Goleta, Calif., where he is resting and receiving no visitors. Reagan probably will return to California for Thanksgiving and then will return to Washington Dec. 8 to become directly involved in setting up his own government through the transition process until Inauguration Day. He and his wife are expected to stay in the home on Jackson Place that is set aside for the use of former presidents.